

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 PM-04 H-02 INR-07 L-03 NSAE-00

NSC-05 PA-01 PRS-01 SP-02 SS-15 NSCE-00 SSO-00

USIE-00 INRE-00 SAM-01 OMB-01 AID-05 TRSE-00 IGA-02

ACDA-05 /067 W

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O 151140Z MAR 76

FM AMEMBASSY LISBON

TO SECSTATE WASHDC IMMEDIATE 6355

INFO CSAF WASHDC IMMEDIATE

SECDEF WASHDC IMMEDIATE

JCS WASHDC IMMEDIATE

USMISSION NATO

USNMR SHAPE BEL

USCINCEUR VAIHINGER GER IMMEDIATE

DIA WASHDC

CINCLANT NORFOLK VA

C O N F I D E N T I A L LISBON 1647

E.O. 11652: GDS

TAGS: MILI, MASS, PO

SUBJECT: PORTUGUESE FORCE DEVELOPMENT

REF: LISBON 1635 (DTG 131137Z MAR 76) (NOTAL)

SUMMARY: PORTUGUESE AIR FORCE PLANS TO SELL THEIR TWO BOEING 707 AND PURCHASE THREE C-130 FOR NATO BRIGADE SUPPORT. THEY WISH TO KNOW URGENTLY IF PURCHASES CAN BE MADE THROUGH FMS. END SUMMARY.

1. ON MAR 12, DATT AND MAAG AIR FORCE SECTION CHIEF VISITED BG LEMOS FERREIRA OF THE PORTUGUESE AIR STAFF AT LATTER'S INVITATION. LEMOS WAS WELL-PREPARED AND HAD A DEFINITE PROPOSAL.

2. LEMOS ADVISED THAT THE PORTUGUESE AIR FORCE (PAF)

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HAD SEVERAL FIRM OFFERS FOR PURCHASE OF THEIR TWO BOEING

707-300C AND ASSOCIATED EQUIPMENT FOR SOMETHING IN THE AREA OF 16-18 MILLION DOLLARS. ONE BIDDER IS AIR CALEDONIA, A BRITISH COMPANY. BASED ON THE OFFERS, HE SAID THAT THERE HAD ALREADY BEEN PRELIMINARY CONTACTS WITH LOCKHEED WITH A VIEW TOWARDS USING THE MONEY FROM SALE OF THE 707 AND OTHER AIRCRAFT, SUCH AS DC-6'S, NORDATLAS, AND SOME HELICOPTERS TO PURCHASE THREE C-130 OR CL-100 AIRCRAFT FOR NATO BRIGADE SUPPORT. LEMOS NOTED THAT THE PAF WOULD DEFINITELY PREFER THE MILITARY VERSION OVER THE CL-100 SO THAT A/C WOULD BE COMPATIBLE WITH NATO MILITARY SUPPLY SYSTEM.

3. LEMOS SAID THAT THE SITUATION WAS DELICATE. LOCKHEED'S CURRENT SCANDAL MADE IT DIFFICULT TO INVITE LOCKHEED REPRESENTATIVES HERE. HE WANTED IT TO BE CLEAR THAT ALTHOUGH THERE WAS AN AGREEMENT IN PRINCIPLE BETWEEN THE CHIEFS OF STAFF OF THE ARMY AND AIR FORCE THAT THE ARMY WOULD SUPPORT THIS VENTURE IN THE REVOLUTIONARY COUNCIL (RC) AND THEY ANTICIPATED APPROVAL OF THE PROPOSAL, IT WAS NOT YET IN CONCRETE. UNLESS THEY GOT OFF DEAD CENTER WITH A PROPOSAL, NOTHING WOULD EVER HAPPEN. HE SAID THAT AIR FORCE CHIEF MORAIS DA SILVA AND ARMY CHIEF EANES WERE AGREED THAT THE AIR FORCE SHOULD PURSUE THE MATTER TO THE POINT OF SIGNING CONTRACTS WHICH WOULD THEN FORCE THE DECISION. LEMOS ADDED THAT THE MINISTER OF FINANCE SUPPORTS THIS PLAN.

4. LEMOS REQUESTED THAT THE MAAG REPRESENTATIVE DETERMINE WHETHER OR NOT PROCUREMENT OF THREE C-130'S OF THE LATEST MODEL COULD BE MADE THROUGH FMS. PAF ALSO WOULD WANT TO PROCURE THE AEROSPACE GROUND EQUIPMENT, CONCURRENT SPARE PARTS, AND ASSOCIATED TRAINING.

5. LEMOS UNDERScoreD THE NEED FOR A QUICK RESPONSE BECAUSE CONTRACT WOULD HAVE TO BE FORMALIZED BEFORE SPRING ELECTIONS. PAF HOPES TO AVOID THE INEVITABLE DELAYS CAUSED BY THE NEED TO EDUCATE A NEW GOVERNMENT AND GET GOVERNMENT TO FOCUS ON ISSUE DURING BUSY PERIOD FOLLOWING THE TAKING OF OFFICE. IN THAT REGARD, HE SAID THAT MORAIS DA SILVA WAS MAKING A FORMAL PROPOSAL IN THE NEXT MEETING OF THE REVOLUTIONARY COUNCIL. THERE IS A RC MEETING SCHEDULED FOR MARCH 15.

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6. ACTION REQUESTED: I AM MEETING WITH MORAIS DA SILVA AT 5:00 PM ON MAR 16 AND WOULD LIKE TO BE ABLE TO GIVE HIM AT LEAST A PRELIMINARY RESPONSE TO LEMOS'S QUESTION IN PARA 4 -- WHETHER PAF COULD MAKE C-130 PURCHASE THROUGH FMS. NEED REPLY BY NOON LISBON TIME MARCH 16.

7. COMMENT: I AM ENCOURAGED BY PAF WILLINGNESS TO MOVE QUICKLY ON MAKING THEIR CONTRIBUTION TO THE NATO BRIGADE

CONCEPT AND URGE THAT WE BE RESPONSIVE IN OUR REPLY.
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